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C O N F I D E N T I A L SECTION 01 OF 03 TBILISI 000725

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STATE FOR EUR/CARC AND EEB/EPC/IEC
COMMERCE FOR 4231/ITA/MAC DANICA STARKS

E.O. 12958: DECL: 03/29/2017
TAGS: [PREL](#) [ENRG](#) [GG](#) [AR](#) [RU](#) [TX](#) [UN](#)
SUBJECT: EUR DAS MATT BRYZA'S MARCH 29 MEETING WITH
GEORGIAN PM NOGHAIDELI

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Classified By: Ambassador John F. Tefft, reason 1.4(b) and (d).

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measure. He described him as a "fascist" and "war criminal".
His release, Noghaideili said, would send a message of
impunity, and his exchange for prisoners held by the Abkhaz
would only encourage future hostage taking by the Abkhaz. He
fears the release of Chakabaria will only increase tensions
in the long run and damage the security of the people in
Gali. The GOG will look for ways to decrease tensions, but
it cannot enter into a prisoner exchange, he said.

16. (C) Noghaideili said that although his meeting with Abkhaz
de facto prime minister Ankvab was canceled, the Abkhaz are
now seeking to reschedule it. However, they are seeking
Noghaideili's presence at what is essentially a technical
meeting, and after Ankvab's first refusal to meet, he is not
inclined to attend. The meeting will go forward without his
participation, however. (Note: at the meeting an agreement
on dividing the output of the Enguri power plant will be
signed. The agreement included a GOG commitment to finance
individual electric meters to consumers on the whole
territory of Abkhazia.) Bryza suggested that the agreement
on the Enguri power plant output would be helpful before the
UNOMIG mandate renewal vote, because it would emphasize
Georgia's willingness to cooperate with the Abkhaz. Bryza
urged Noghaideili to meet with Ankvab. Noghaideili resisted,
but he later called Bryza to say he had reconsidered and is
now willing to meet with Ankvab.

FOCUSING ON TRANS-CASPIAN OIL AND GAS

17. (C) Bryza praised Georgia and Azerbaijan for cooperating
on meeting their energy needs this year, and especially
Azerbaijan's willingness to do without Russian gas and to
stop shipping oil through Novorossisk in response to Russian
demands that Azerbaijan not supply Georgia. Noghaideili said
that Aliyev's decision was mostly a reaction to Russia
offering better terms for its gas to Armenia than to

Azerbaijan. He complained that Azerbaijan is creating significant problems for transport of oil through the South Caucasus. He will meet with Azerbaijan and Kazakhstan leaders in Baku on April 4 to discuss the issue.

¶8. (C) Drawing on his recent trip to Ashgabat, Noghaideli told DAS Bryza that President Berdimuhammedov wants western legitimacy. Trips to Europe and America would give him that and would expose him to the West. Such trips should happen soon, Noghaideli said. He said that Berdimuhammedov can become a leader either in the style of Kazakhstan's Nazarbayev or, less appealingly, Uzbekistan's Karimov -- though he will never be a Saakashvili. Although human rights advocates may object, Noghaideli said, now is the time to deal with Berdimuhammedov if the West is to have any influence as he grows into his new position.

¶9. (C) Noghaideli said that Turkmenistan has always sought a balance between Russia and Iran, and now will want to do so between Russia and the West. He said that Turkmenistan currently sells its oil on an exchange within the country at a low price, but forces it to be taken out via Iran and to Afghanistan. Noghaideli thinks that if Berdimuhammedov allows the free sale of oil outside the country, 90 percent of it would go west through the Caucasus -- but for the problems the Azeris are creating in transportation. Noghaideli said that Berdimuhammedov will likely be willing to license western companies to develop Turkmenistan's off-shore reserves of natural gas. He confirmed that the Georgian Oil and Gas Corporation will seek such a license. Oil and gas from fields developed by Western companies will only flow west, he believes. Bryza said that Noghaideli's view confirms what the USG is hearing from Turkmenistan. He mentioned the U.S. hope to export Turkmen gas from Block One, operated by Petronas, to Baku's ACG field.

¶10. (C) Bryza mentioned that Kazakhstani Prime Minister Massimov has expressed interest in shipping compressed natural gas across the Caspian. Noghaideli again complained that Azerbaijan has "destroyed a good transport relationship" over the past year. The Georgian-proposed Georgia-Azerbaijan-Kazakhstan trilateral in Baku on April 4 is important in that regard, he said. (Note: Massimov is scheduled to visit Tbilisi as well as Baku.)

¶11. (C) Noghaideli said that he has given up on getting Turkey to share its Shah Deniz gas with Georgia. Turkey will not be ready to receive gas until September, he said. Georgia is now discussing getting more gas from the Azeris, who he says have enough to cover Georgia's needs. President

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Saakashvili is calling Azeri President Aliyev to discuss. Because of the delays in production of Shah Deniz gas earlier this year, Georgia did not get as much gas as it had hoped from Azerbaijan, only 20% of its imports, according to Noghaideli. Russian gas will be about 50% of supply this year, he said. The warm winter and good management have allowed Georgia to reduce its gas consumption this year, however.

ARMENIAS ONLY FRIEND(S)

¶12. (C) Bryza and Noghaideli briefly discussed the situation in Armenia. When he was in Armenia for the late Prime Minister Andranik Markarian's funeral, Noghaideli was surprised to learn that Armenia's government budget is only USD 1.1 billion, compared to Georgia's USD 2.7 million. Armenia's decision to rely on Russian support has hurt it economically and cost it nearly all its friends, other than Georgia, he said. The Government of Armenia is maintaining its NATO Individual Partnership Action Plan as a lifeline to the West, he said.

¶13. DAS Bryza has cleared this telegram.

